



**COUNCIL MEETING AGENDA**  
**Wednesday March 22, 2023**  
**7:00 P. M.**  
**Fallon County Courtroom**

Teleconference instructions: Dial 406-323-9800, when prompted enter participant code 1718877#, when prompted state your name and press #. Participants may enter conference prior to the moderator but will be placed on hold with music until moderator joins

\*\*\*\*\*Pledge of Allegiance\*\*\*\*\*

-2022 Citizen of the Year Award John and Janice Moser.

**PUBLIC COMMENT:**

You may email any comments to [dukartk@bakermontana.us](mailto:dukartk@bakermontana.us) prior to 5:00 p.m. on the date of the meeting if you are unable to participate in the meeting.

The public is welcome to comment on any matter. Please address the Chair to be recognized.



**Consent Agenda**

-Approval of the Minutes of the Regular meeting of March 8, 2023.

**OLD BUSINESS:**

**NEW BUSINESS:**

-Open Baker Park Maintenance bids.

-Street Improvement # 36 bids for Schedules 1 through 4.

-Decision to re-bid schedule III reconstruction of 6<sup>th</sup> street west for SID # 36.

-Renewal of highway sweeping and maintenance contract for FY 23-24.

-Recall Sheena Veazey as mosquito control operator.

-Setup Inter-cap semi-annual loan on auto pay.

PLANNING INPUT:

FIRE DEPT INPUT:

COUNTY SANITARIAN INPUT:

PUBLIC WORKS DEPARTMENT INPUT:

POLICE DEPARTMENT INPUT:

CLERK/TREASURER INPUT:

-February 2023 financial report.

-Update on SID # 36 bond progress.

MAYOR INPUT:

CITY ATTORNEY INPUT:

CITY COUNCIL INPUT:

ADJOURNMENT:

THE REGULAR MEETING OF THE BAKER CITY COUNCIL WAS HELD WEDNESDAY, MARCH 8, 2023 IN THE FALLON COUNTY COURTROOM.

MEMBERS PRESENT: Mayor; Steve Zachmann, Councilor; Mike Loutzenhiser, Brittany Hoversland, Tracey Goerndt via teleconference, City Attorney; Rich Batterman, Police Chief; Justin LaCroix, Public Works Foreman; Kyle Rogge and Clerk Treasurer; Kevin Dukart.

ABSENT: Councilor; Pat Ehret

Pledge of Allegiance

PUBLIC COMMENT: None

Motion by Brittany Hoversland, second by Mike Loutzenhiser to approve the Consent Agenda Minutes of February 15, 2023 and Claims for February 2023 as listed. Motion Carried. All Aye.

OLD BUSINESS:

Clerk Dukart reported that Karol Zachmann, representing the Leaping Leprechaun Pub Crawl requested to amend the Facilities Use Agreement to include lift Open Container Ordinance on 2<sup>nd</sup> ST W from Montana to Railroad Avenues for the event. Motion by Mike Loutzenhiser, second by Brittany Hoversland to approve the amendment. Motion Carried. All Aye.

NEW BUSINESS:

Motion by Brittany Hoversland, second by Mike Loutzenhiser to defer consideration of Resolution #743, a Resolution requesting distribution of Bridge and Road Safety Program funds until consideration of this matter is settled by the Montana Legislature. Motion Carried. All Aye.

Clerk Dukart presented the MMIA Employee Benefits renewal information. The anticipated medical rate increase is not final, but 10% to 13% has been quoted. Clerk Dukart requested to reduce the number of hours required to work per week to be eligible from 30 to 25 and to add the Orthodontic Benefit for \$1 per month per employee as a benefit. Motion by Tracey Goerndt, second by Mike Loutzenhiser to approve the renewal for MMIA Employee Benefits, reduce required work time to 25 hours per week provided the employee will pay a prorated share of premium and to add the Orthodontic Benefit. Motion Carried. All Aye.

CLERK TREASURER INPUT:

Kevin reported on equipment upgrades to the city office; 1 computer for the Deputy Clerk, 1 printer for the City Clerk and 1 laptop for the purpose of meter reading.

The notice of the upcoming municipal election was also available.

Clerk Dukart thanked the City Council for the renewal of the Health Insurance Benefit, it is greatly appreciated.

**MAYOR INPUT:**

Steve thanked citizens for remaining positive during the harsh winter weather and the constant battle to keep the city streets in driving condition.

**CITY ATTORNEY INPUT:**

Rich reported that he took part in a criminal mediation, his first and was impressed with the outcome.

Rich has trials upcoming in Wolf Point, Billings and Baker within the next month due to this schedule he may not be available to attend the March 22<sup>nd</sup> meeting.

**COUNCIL INPUT:**

Hoversland – Hopes Pat is recovering and will be back to normal soon. Brittany thanked the public works for their snow removal efforts. Go Spartans!!

Goerndt – None

Loutzenhiser – Mike reported that Joe and Beth Epley and family will be moving from Baker and would like the city to recognize them for their community efforts. Thank you for snow plowing.

The following payroll was approved for payment:

3546 Pattie Ehret \$310.46, 3547 Brittany Hoversland \$346.31, PERD vendor liability \$2,296.91, MPERA vendor liability \$4,682.95, Nationwide Retirement emp w/h \$600.00, Dept. of Treasury emp w/h \$8,125.77, MT Dept. of Revenue emp w/h \$1,550.56, MMIA health ins. Vendor liability \$11,862.10, ACH deposits: Albert Batterman \$2,881.39, Thomas Bruha \$294.29, Brenda Dietz \$2,672.83, Larry Donnelly \$1,282.59, Kevin Dukart \$1,532.22, Tracey Goerndt \$260.46, Blayne Higgins \$1,816.20, Ryan James \$39.58, Justin LaCroix \$2,081.38, Michael Loutzenhiser \$339.56, Jaramie McLean \$1,071.33, Rodney Morris \$2,001.51, Theresa Myers \$1,085.08, Bryan Nevers \$1,751.73, Kyle Rogge \$1,391.82, Ashley Rost \$813.13, Cody Strandbakke \$1,067.02, Anna Straub \$1,486.23, Tyler Travis \$1,422.28, Sheena Veazey \$1,365.27, Steven Zachmann \$818.95.

Total payroll: \$57,249.93

The following claims were approved as listed:

14908 American Welding supplies \$21.78, 14909 Baker Ace Hardware supplies \$342.93, 14910 Bank of Baker supplies \$82.41, Batterman Law Office stipend \$2,000.00, 14912 Boss Office Products supplies \$1,189.69, 14913 Brosz Engineering SID #36, watermain, 6<sup>th</sup> ST paving, \$61,547.50, 14914 Carquest parts \$487.37, 14915 City of Baker petty cash dep refunds postage \$623.03, 14916 Denning, Downing & Associates services AFR, cap assets \$5,612.50, Kevin Dukart travel subsistence \$30.00, 14918 energy Lab water samples \$829.75, 14919 Fallon County Treasurer planning, building, tipping fees \$4,829.61, 14920 Fallon County Water District collections \$3,480.71, 14921 Fallon Medical Complex DOT physical \$220.00, 14922 Farmers Union tank rental \$75.00, 14923 Brenda Flint services \$75.00, 14924 Galls LLC supplies \$267.74,

14925 Hawkins Inc. supplies \$5,593.19, 14926 Blayne Higgins subsistence/animal control \$183.33, 14927 Insurance Store treasurer bond \$160.00, 14928 Joe Johnson Equipment repairs \$15,893.40, 14929 KLJ Engineering zoning sign \$88.67, 14930 Justin LaCroix subsistence/animal control \$183.33, 14931 Terry Lamberson payout final royalty \$3.34, 14932 Jaramie McLean safety boots reimbursement \$199.95, 14933 MDU utilities \$7,529.00, 14934 Mid-Rivers phone services \$1,048.06, MT DEQ outfall charge \$850.00, 14936 Bryan Nevers subsistence/animal control \$183.33, 14937 North Baker Water District collections \$18,356.06, 14938 Northwest Pipefittings parts \$8,359.18, 14939 PowerPlan parts & repairs \$3,551.45, 14940 Precision Parts & Supply parts \$287.30, 14941 Kyle Rogge per diem reimbursement \$60.00, 14942 Rolling Rubber repair \$50.00, 14943 Rost Construction building demo \$400.00, 14944 Runnings Supply Inc supplies \$301.93, 14945 Safety-Kleen supplies \$226.74, 14946 Sew What plaque \$69.55, 14947 Cody Strandbakke subsistence/animal control \$183.33, 14948 SWS Equipment parts \$731.86, 14949 The Badlands Patriot LLC publishing, supplies \$653.01, 14950 The Chemnet Consortium services \$180.00, 14951 US Bank Voyager fuel \$5,381.45, 14952 Utilities Underground Location locate requests \$12.74, 14953 Verizon Wireless cell services \$209.20, 14954 VISA registration \$199.67.

Total claims: \$152,844.09

There having been no further business to come before the Baker City Council at this time, Motion by Mike Loutzenhiser, second by Brittany Hoversland to adjourn at 7:18 p.m. Motion Carried. All Aye.

\_\_\_\_\_ Mayor \_\_\_\_\_

\_\_\_\_\_ Clerk Treasurer

**SECTION 00100  
INVITATION TO BID**

Notice is hereby given, that separate sealed bids for the construction of **2023 STREET IMPROVEMENT PROJECT** will be received by the City of Baker, Baker, Montana at the office of City Clerk, 10 West Fallon Avenue, PO Box 1512, Baker, Montana until 10:30 a.m., local time on March 20<sup>th</sup>, 2023; and then publicly opened and read aloud.

The project consists of: Street Improvement District 36: Schedule I – Scrub Seal and Chip Seal; Schedule II – Chip Seal with Crack Seal; Schedule III – 6<sup>th</sup> St Reconstruct & Gravel Surfacing; Schedule IV – 6<sup>th</sup> St Water Main Replacement;

The complete set of Contract Documents, including drawings and specifications, is on file with the Owner at the Fallon County Courthouse and the office of Brosz Engineering, Inc. 109 S. Main, Bowman, ND 58623. Digital Contract Documents are also available from QuestCDN and can be accessed from the Brosz Engineering website at [www.broszeng.com](http://www.broszeng.com) under the "Bid Information" page. The cost for downloaded (electronic) plans is \$22. The official Plan Holders list can be viewed for the project on the QuestCDN website. Only electronic plan holders downloaded via QuestCDN will receive addendum notifications. Contractors using any other means for obtaining plans and specifications must periodically check the QuestCDN website for any addenda.

The City of Baker reserves the right to reject any or all Bids and waive any defects therein. The City reserves the right to reject all bids for any reason or no reason at all, and to decline to proceed with the project for any legal reason, including but not limited to a failure of funding." The City Council reserves the right to waive any irregularities it deems to be in the Town's best interest.

As required by Section 18-1-202, MCA, all bids shall be accompanied by a bid bond, either in cash or guaranteed by a good and sufficient surety, in the amount of 10% of the bid price. The successful bidder must enter into a formal contract within 30 days after the award of the bid; the failure to enter into the contract will result in the forfeiture of the bid bond. Upon completion of the contract the bid bond shall be returned to the bidder.

The successful bidder shall give a good and sufficient bond guaranteeing the performance of the terms and conditions of the said contract.

Disabled persons needing assistance, please contact the City Office at least 72 hours before the services are required. For more information or for complaints about ADA compliance, call 406-778-2692

Dated at Baker, Montana; this 15<sup>th</sup> Day of February 2023.

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Steve Zachmann, Mayor

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Baker City Council

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Baker, Montana 59313

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Publish Fallon County Times: February 24<sup>th</sup>, March 3<sup>rd</sup>, & March 10<sup>th</sup> of 2023

| CITY OF BAKER & FALLON COUNTY       |                     | CONTRACTOR             |      | CONTRACTOR            |                | CONTRACTOR            |                |
|-------------------------------------|---------------------|------------------------|------|-----------------------|----------------|-----------------------|----------------|
| 2023 STREET IMPROVEMENT PROJECTS    |                     | HARDRIVES CONSTRUCTION |      | CENTURY COMPANIES     |                | JK EXCAVATION & CONST |                |
| MARCH 20, 2023 @ 10:30 AM           |                     | PO BOX 2535            |      | PO BOX 579            |                | 4761 HIGHWAY 22       |                |
| SCHEDULE I BID - SCRUB SEAL PROJECT |                     | BILLINGS, MT 59103     |      | LEWISTOWN, MT 59457   |                | DICKINSON, ND 58601   |                |
| Item No.                            | Description         | Quantity               | Unit | Unit Price            | Total          | Unit Price            | Total          |
| 1                                   | MOBILIZATION        | 1.0                    | LSUM | \$100,000.00          | \$100,000.00   | \$255,000.00          | \$255,000.00   |
| 2                                   | FOG SEAL EMULSION   | 16,594                 | GAL  | \$7.50                | \$124,455.00   | \$6.00                | \$99,564.00    |
| 3                                   | SCRUB SEAL          | 271,608                | SY   | \$4.00                | \$1,086,432.00 | \$5.50                | \$1,493,844.00 |
| 4                                   | SINGLE CHIP SEAL    | 10,348                 | SY   | \$4.50                | \$46,566.00    | \$4.50                | \$46,566.00    |
| 5                                   | DOUBLE CHIP SEAL    | 26,979                 | SY   | \$9.35                | \$252,253.65   | \$10.00               | \$269,790.00   |
| 6                                   | SURFACE PREPARATION | 26,979                 | SY   | \$0.20                | \$5,395.80     | \$2.00                | \$53,958.00    |
| 7                                   | CONCRETE SEAL       | 10,481                 | SY   | \$2.75                | \$28,822.75    | \$5.00                | \$52,405.00    |
| 8                                   | TRAFFIC CONTROL     | 1.0                    | LSUM | \$103,453.33          | \$103,453.33   | \$300,000.00          | \$300,000.00   |
| 9                                   | 24" STOP BAR        | 846                    | LF   | \$11.00               | \$9,306.00     | \$12.00               | \$10,152.00    |
| <b>TOTAL BID - SCHEDULE I</b>       |                     |                        |      | <b>\$1,756,684.53</b> |                | <b>\$2,681,279.00</b> |                |
| <b>NO BID</b>                       |                     |                        |      |                       |                |                       |                |

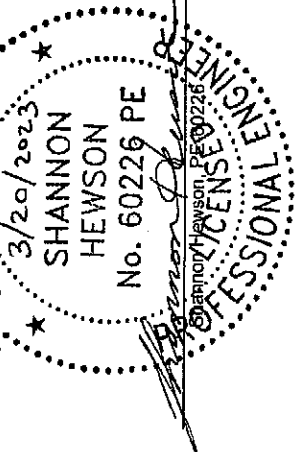
| CITY OF BAKER & FALLON COUNTY                       |                     | CONTRACTOR             |      | CONTRACTOR            |                | CONTRACTOR            |                |
|---|---------------------|------------------------|------|-----------------------|----------------|-----------------------|----------------|
| 2023 STREET IMPROVEMENT PROJECTS                    |                     | HARDRIVES CONSTRUCTION |      | CENTURY COMPANIES     |                | JK EXCAVATION & CONST |                |
| MARCH 20, 2023 @ 10:30 AM                           |                     | PO BOX 2535            |      | PO BOX 579            |                | 4761 HIGHWAY 22       |                |
| SCHEDULE II BID - CHIP SEAL WITH CRACK SEAL PROJECT |                     | BILLINGS, MT 59103     |      | LEWISTOWN, MT 59457   |                | DICKINSON, ND 58601   |                |
| Item No.  | Description         | Quantity               | Unit | Unit Price            | Total          | Unit Price            | Total          |
| 1   | MOBILIZATION        | 1.0                    | LSUM | \$135,000.00          | \$135,000.00   | \$275,000.00          | \$275,000.00   |
| 2   | FOG SEAL EMULSION   | 16,592                 | GAL  | \$7.25                | \$120,219.50   | \$6.00                | \$99,492.00    |
| 3   | CRACK SEALING       | 107,647                | LF   | \$3.25                | \$349,852.75   | \$4.00                | \$430,588.00   |
| 4   | SINGLE CHIP SEAL    | 281,957                | SY   | \$3.70                | \$1,043,240.90 | \$4.50                | \$1,268,806.50 |
| 5   | DOUBLE CHIP SEAL    | 26,735                 | SY   | \$8.50                | \$227,247.50   | \$10.00               | \$267,350.00   |
| 6   | SURFACE PREPARATION | 26,735                 | SY   | \$0.20                | \$5,347.00     | \$2.00                | \$53,470.00    |
| 7   | CONCRETE SEAL       | 10,481                 | SY   | \$3.00                | \$31,443.00    | \$5.00                | \$52,405.00    |
| 8   | TRAFFIC CONTROL     | 1.0                    | LSUM | \$148,164.16          | \$148,164.16   | \$300,000.00          | \$300,000.00   |
| 9   | 24" STOP BAR        | 846                    | LF   | \$12.00               | \$10,152.00    | \$12.00               | \$10,152.00    |
| <b>TOTAL BID - SCHEDULE II</b>                      |                     |                        |      | <b>\$2,070,666.81</b> |                | <b>\$2,757,263.50</b> |                |
| <b>NO BID</b>                                       |                     |                        |      |                       |                |                       |                |

| CITY OF BAKER & FALLON COUNTY                          |             | CONTRACTOR             |      | CONTRACTOR          |       | CONTRACTOR            |       |
|--|-------------|------------------------|------|---------------------|-------|-----------------------|-------|
| 2023 STREET IMPROVEMENT PROJECTS                       |             | HARDRIVES CONSTRUCTION |      | CENTURY COMPANIES   |       | JK EXCAVATION & CONST |       |
| MARCH 20, 2023 @ 10:30 AM                              |             | PO BOX 2535            |      | PO BOX 579          |       | 4761 HIGHWAY 22       |       |
| SCHEDULE III BID - 6TH STREET W RECONSTRUCTION PROJECT |             | BILLINGS, MT 59103     |      | LEWISTOWN, MT 59457 |       | DICKINSON, ND 58601   |       |
| Item No.   | Description | Quantity               | Unit | Unit Price          | Total | Unit Price            | Total |
| <b>TOTAL BID - SCHEDULE III</b>                        |             | <b>NO BID</b>          |      | <b>NO BID</b>       |       | <b>NO BID</b>         |       |

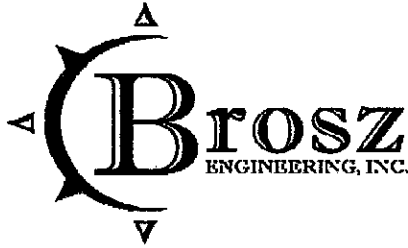
| CITY OF BAKER & FALLON COUNTY                                 |                                   | CONTRACTOR             |      | CONTRACTOR          |               | CONTRACTOR            |                     |
|---|-----------------------------------|------------------------|------|---------------------|---------------|-----------------------|---------------------|
| 2023 STREET IMPROVEMENT PROJECTS                              |                                   | HARDRIVES CONSTRUCTION |      | CENTURY COMPANIES   |               | JK EXCAVATION & CONST |                     |
| MARCH 20, 2023 @ 10:30 AM                                     |                                   | PO BOX 2535            |      | PO BOX 579          |               | 4761 HIGHWAY 22       |                     |
| SCHEDULE IV BID - 6TH STREET W WATER MAIN REPLACEMENT PROJECT |                                   | BILLINGS, MT 59103     |      | LEWISTOWN, MT 59457 |               | DICKINSON, ND 58601   |                     |
| Item No.  | Description                       | Quantity               | Unit | Unit Price          | Total         | Unit Price            | Total               |
| 1   | MOBILIZATION                      | 1.0                    | LSUM | \$0.00              | \$0.00        | \$35,000.00           | \$35,000.00         |
| 2   | CONSTRUCTION TRAFFIC CONTROL      | 1.0                    | LSUM | \$0.00              | \$0.00        | \$10,000.00           | \$10,000.00         |
| 3   | TEMPORARY WATER SUPPLY            | 1.0                    | LSUM | \$0.00              | \$0.00        | \$15,000.00           | \$15,000.00         |
| 4   | EXPLORATORY EXCAVATION            | 20                     | HR   | \$0.00              | \$0.00        | \$200.00              | \$4,000.00          |
| 5   | COLD MILLING                      | 3,425                  | SY   | \$0.00              | \$0.00        | \$11.50               | \$39,387.50         |
| 6   | 4" C900 PVC WATER MAIN            | 5                      | LF   | \$0.00              | \$0.00        | \$100.00              | \$500.00            |
| 7   | 6" C900 PVC WATER MAIN            | 1,398                  | LF   | \$0.00              | \$0.00        | \$175.00              | \$244,650.00        |
| 8   | 8" C900 PVC WATER MAIN            | 974                    | LF   | \$0.00              | \$0.00        | \$200.00              | \$194,800.00        |
| 9   | 8" GATE VALVE                     | 9                      | EA   | \$0.00              | \$0.00        | \$2,500.00            | \$22,500.00         |
| 10  | 8" GATE VALVE                     | 1                      | EA   | \$0.00              | \$0.00        | \$4,500.00            | \$4,500.00          |
| 11  | 8" X 8" X 6" TEE                  | 6                      | EA   | \$0.00              | \$0.00        | \$2,000.00            | \$12,000.00         |
| 12  | 8" X 8" X 6" TEE                  | 3                      | EA   | \$0.00              | \$0.00        | \$2,500.00            | \$7,500.00          |
| 13  | 8" 90° BEND                       | 2                      | EA   | \$0.00              | \$0.00        | \$1,000.00            | \$2,000.00          |
| 14  | 8" 90° BEND                       | 1                      | EA   | \$0.00              | \$0.00        | \$1,500.00            | \$1,500.00          |
| 15  | 8"x4" REDUCER                     | 1                      | EA   | \$0.00              | \$0.00        | \$1,000.00            | \$1,000.00          |
| 16  | 8"x6" REDUCER                     | 2                      | EA   | \$0.00              | \$0.00        | \$1,500.00            | \$3,000.00          |
| 17  | 6" CAP                            | 1                      | EA   | \$0.00              | \$0.00        | \$1,000.00            | \$1,000.00          |
| 18  | 6" FIRE HYDRANT                   | 4                      | EA   | \$0.00              | \$0.00        | \$10,000.00           | \$40,000.00         |
| 19  | CONNECTION TO EXISTING WATER MAIN | 8                      | EA   | \$0.00              | \$0.00        | \$2,000.00            | \$16,000.00         |
| 20  | CURB STOP REPLACEMENT             | 3                      | EA   | \$0.00              | \$0.00        | \$2,500.00            | \$7,500.00          |
| 21  | CONNECT TO EXISTING SERVICE LINE  | 13                     | EA   | \$0.00              | \$0.00        | \$1,500.00            | \$19,500.00         |
| 22  | CAP EXISTING WATER MAIN           | 5                      | EA   | \$0.00              | \$0.00        | \$1,500.00            | \$7,500.00          |
| 23  | REMOVE & DISPOSE AC WATER MAIN    | 250                    | LF   | \$0.00              | \$0.00        | \$45.00               | \$11,250.00         |
| 24  | TEMPORARY EROSION CONTROL         | 1.0                    | LSUM | \$0.00              | \$0.00        | \$25,000.00           | \$25,000.00         |
| <b>TOTAL BID - SCHEDULE IV</b>                                |                                   |                        |      | <b>NO BID</b>       | <b>NO BID</b> | <b>\$725,087.50</b>   | <b>\$725,087.50</b> |

| CITY OF BAKER & FALLON COUNTY              |  | CONTRACTOR             |  | CONTRACTOR          |               | CONTRACTOR            |               |
|--|--|------------------------|--|---------------------|---------------|-----------------------|---------------|
| 2023 STREET IMPROVEMENT PROJECTS           |  | HARDRIVES CONSTRUCTION |  | CENTURY COMPANIES   |               | JK EXCAVATION & CONST |               |
| MARCH 20, 2023 @ 10:30 AM                  |  | PO BOX 2535            |  | PO BOX 579          |               | 4761 HIGHWAY 22       |               |
| SCHEDULE V BID - 6TH STREET W RCBC PROJECT |  | BILLINGS, MT 59103     |  | LEWISTOWN, MT 59457 |               | DICKINSON, ND 58601   |               |
| TOTAL BID - SCHEDULE V                     |  | NO BID                 |  | NO BID              |               | NO BID                |               |
| <b>TOTAL BID - SCHEDULE V</b>              |  |                        |  | <b>NO BID</b>       | <b>NO BID</b> | <b>NO BID</b>         | <b>NO BID</b> |

I hereby certify that this bid fabrication is correct:







**Preliminary Opinion of Cost**

**City of Baker: SID 36 Street Repair**

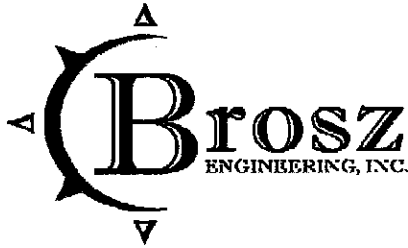
**February 14, 2023**

**SID 36 - Street Repair Project (Schedule I - Scrub Seal and Chip Seal)**

| Item No.  | Description         | Unit | Quantity | Unit Cost     | Total Cost             |
|---|---------------------|------|----------|---------------|------------------------|
| 1   | MOBILIZATION        | LSUM | 1        | \$ 300,000.00 | \$ 300,000.00          |
| 2   | FOG SEAL EMULSION   | GAL  | 16,594   | \$ 7.60       | \$ 126,114.40          |
| 3   | SCRUB SEAL          | SY   | 271,608  | \$ 4.80       | \$ 1,303,718.40        |
| 4   | SINGLE CHIP SEAL    | SY   | 10,348   | \$ 4.00       | \$ 41,392.00           |
| 5   | DOUBLE CHIP SEAL    | SY   | 26,979   | \$ 9.20       | \$ 248,206.80          |
| 6   | SURFACE PREPARATION | SY   | 26,979   | \$ 1.00       | \$ 26,979.00           |
| 7   | CONCRETE SEAL       | SY   | 10,481   | \$ 4.00       | \$ 41,924.00           |
| 8   | TRAFFIC CONTROL     | LSUM | 1        | \$ 120,000.00 | \$ 120,000.00          |
| 9   | 24" STOP BAR        | LF   | 846      | \$ 20.00      | \$ 16,920.00           |
| <b>Estimated Construction Cost</b>                    |                     |      |          |               | <b>\$ 2,225,254.60</b> |
| Design Engineering                                    |                     |      |          |               | \$ 87,500.00           |
| Estimated Construction Engineering (estimated at 10%) |                     |      |          |               | \$ 229,000.00          |
| Contingency (estimated at 12%)                        |                     |      |          |               | \$ 274,000.00          |
| Interest (7 year loan @ 5%)                           |                     |      |          |               | \$ 540,000.00          |
| <b>Total Estimated Project Cost - Schedule I</b>      |                     |      |          |               | <b>\$ 3,355,754.60</b> |

**Funding Breakdown - SID 36**

|  |                            |
|--|----------------------------|
| Total Estimated Project Cost - Schedule I    | \$ 3,355,754.60            |
| Total Estimated Project Cost - Schedule II   | <del>\$ 3,604,833.20</del> |
| Total Estimated Project Cost - Schedule III  | \$ 3,319,598.50            |
| Estimated Water Main Street Repair Cost      | \$ (238,450.00)            |
| <b>Total Estimated Project Cost - SID 36</b> | <b>\$ 6,436,903.10</b>     |



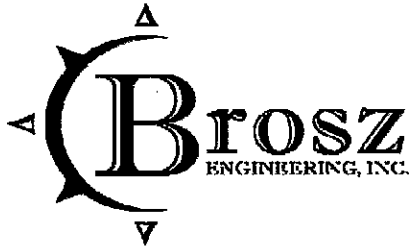
**Preliminary Opinion of Cost**

**City of Baker: SID 36 Street Repair**

**February 14, 2023**

**SID 36 - Street Repair Project (Schedule II - Chip Seal with Crack Seal)**

| Item No.  | Description         | Unit | Quantity | Unit Cost     | Total Cost             |
|---|---------------------|------|----------|---------------|------------------------|
| 1   | MOBILIZATION        | LSUM | 1        | \$ 300,000.00 | \$ 300,000.00          |
| 2   | FOG SEAL EMULSION   | GAL  | 16,582   | \$ 7.60       | \$ 126,023.20          |
| 3   | CRACK SEALING       | LF   | 107,647  | \$ 3.00       | \$ 322,941.00          |
| 4   | SINGLE CHIP SEAL    | SY   | 281,957  | \$ 4.00       | \$ 1,127,828.00        |
| 5   | DOUBLE CHIP SEAL    | SY   | 26,735   | \$ 9.20       | \$ 245,962.00          |
| 6   | SURFACE PREPARATION | SY   | 26,735   | \$ 1.00       | \$ 26,735.00           |
| 7   | CONCRETE SEAL       | SY   | 10,481   | \$ 4.00       | \$ 41,924.00           |
| 8   | TRAFFIC CONTROL     | LSUM | 1        | \$ 120,000.00 | \$ 120,000.00          |
| 9   | 24" STOP BAR        | LF   | 846      | \$ 20.00      | \$ 16,920.00           |
| <b>Estimated Construction Cost</b>                    |                     |      |          |               | <b>\$ 2,328,333.20</b> |
| Design Engineering                                    |                     |      |          |               | \$ 87,500.00           |
| Estimated Construction Engineering (estimated at 10%) |                     |      |          |               | \$ 239,000.00          |
| Contingency (estimated at 12%)                        |                     |      |          |               | \$ 287,000.00          |
| Interest (7 year loan @ 5%)                           |                     |      |          |               | \$ 663,000.00          |
| <b>Total Estimated Project Cost - Schedule II</b>     |                     |      |          |               | <b>\$ 3,604,833.20</b> |



**Preliminary Opinion of Cost**

**City of Baker: SID 36 Street Repair**

**February 14, 2023**

**SID 36 - Street Repair Project (Schedule III - 6th St Reconstruct & Gravel Surfacing)**

| Item No.  | Description                       | Unit | Quantity | Unit Cost     | Total Cost             |
|---|-----------------------------------|------|----------|---------------|------------------------|
| 1   | MOBILIZATION                      | LSUM | 1        | \$ 200,000.00 | \$ 200,000.00          |
| 2   | DIGOUT EXCAVATION                 | CY   | 7,871    | \$ 30.00      | \$ 236,130.00          |
| 3   | EXCAVATION                        | CY   | 1,200    | \$ 30.00      | \$ 36,000.00           |
| 4   | TOPSOIL                           | CY   | 500      | \$ 35.00      | \$ 17,500.00           |
| 5   | CRUSHED SCORIA                    | CY   | 4,867    | \$ 70.00      | \$ 340,690.00          |
| 6   | AGGREGATE - CRUSHED BASE COURSE   | CY   | 3,188    | \$ 110.00     | \$ 350,680.00          |
| 7   | AGGREGATE - CRUSHED TOP SURFACING | CY   | 717      | \$ 110.00     | \$ 78,870.00           |
| 8   | COMMERCIAL PLANT MIX SURFACING    | TON  | 2,359    | \$ 260.00     | \$ 613,340.00          |
| 9   | DRAINAGE PIPE - 24IN              | LF   | 70       | \$ 120.00     | \$ 8,400.00            |
| 10  | ADJUST GATE VALVE                 | EA   | 3        | \$ 500.00     | \$ 1,500.00            |
| 11  | ADJUST MANHOLE                    | EA   | 1        | \$ 1,500.00   | \$ 1,500.00            |
| 12  | REMOVE SIDEWALK                   | SY   | 9        | \$ 40.00      | \$ 360.00              |
| 13  | SIDEWALK - CONCRETE 6"            | SY   | 9        | \$ 150.00     | \$ 1,350.00            |
| 14  | REMOVE CURB & GUTTER              | LF   | 36       | \$ 20.00      | \$ 720.00              |
| 15  | CURB & GUTTER - CONCRETE          | LF   | 1,991    | \$ 65.00      | \$ 129,415.00          |
| 16  | VALLEY GUTTER - CONCRETE          | SY   | 137      | \$ 140.00     | \$ 19,180.00           |
| 17  | TRAFFIC CONTROL                   | LSUM | 1        | \$ 60,000.00  | \$ 60,000.00           |
| 18  | GEOTEXTILE STABILIZATION          | SY   | 11,551   | \$ 5.50       | \$ 63,530.50           |
| 19  | GEOTEXTILE SEPARATION             | SY   | 11,806   | \$ 5.50       | \$ 64,933.00           |
| <b>Estimated Construction Cost</b>                    |                                   |      |          |               | <b>\$ 2,224,098.50</b> |
| Design Engineering                                    |                                   |      |          |               | \$ 87,500.00           |
| Estimated Construction Engineering (estimated at 10%) |                                   |      |          |               | \$ 221,000.00          |
| Contingency (estimated at 12%)                        |                                   |      |          |               | \$ 265,000.00          |
| Interest (7 year loan @ 5%)                           |                                   |      |          |               | \$ 522,000.00          |
| <b>Total Estimated Project Cost - Schedule III</b>    |                                   |      |          |               | <b>\$ 3,319,598.50</b> |

Montana Department of Transportation  
Miles City Maintenance Division  
217 North Fourth Street  
Miles City, Montana 59301

## Street Sweeping Agreement

This agreement is between the City of Baker and the Montana Department of Transportation (MDT) for defining street sweeping and flushing responsibilities of the City and MDT in accordance with state law which allows MDT to enter into an agreement with local governments to provide maintenance of State routes with provision for full reimbursement. The term of this agreement shall be for one year beginning July 1, 2023.

**LIMITS OF AGREEMENT:** The listing of streets and intersections identified under ITEMS COVERED is a full and complete listing of areas covered by this agreement. Unless otherwise defined, that list includes all intersections along the route and intersecting streets for a distance of 15' or to the end of the curb radius return, whichever is greater, and shall include all of the street right of way. During the term of this Agreement, additional areas may be added by written Agreement of the parties.

**SCOPE OF AGREEMENT:** This agreement covers all activities ordinarily associated with street sweeping and flushing activities.

**ITEMS COVERED:** Payment to the City for this Agreement shall be for the following:

STREET CLEANING ACTIVITIES:

The City will flush, sweep and clean the streets identified below once every week beginning July 1, 2023 and ending the last Friday of the first full week in October (approximately 14 weeks). Activities will resume beginning the 15<sup>th</sup> of April and end on June 30, 2024, approximately 7 weeks, which is the end of the MDT fiscal year.

The City agrees to furnish labor and furnish and maintain all equipment necessary to the successful fulfillment of this agreement.

- A. Montana Highway 7 beginning at Intersection of Prairie Avenue and Montana Highway 7 and proceeding south to the intersection of Montana Highway 7 and Montana Highway 12, and from the intersection of Montana Highway 7 and Montana Highway 12 south to the first entrance to the Fallon County Fairgrounds.
- B. U.S. Highway 12 beginning at East 10<sup>th</sup> Street and proceeding west to the west side of the entrance to the Baker Rural/Baker Volunteer Fire Department building located on U.S. Highway 12.

**MONTANA PRODUCT PREFERENCE:** The City will provide Montana-made goods where those goods are comparable in price and quality to those required by this Agreement pursuant to Section 18-1-112(1), MCA.

**COSTS / PAYMENT:** The costs associated with this Agreement shall be \$8694.00 for the period beginning July 1, 2023 and ending June 30, 2024. This will be a lump sum payment for the activity described and shall be paid to the City at the end of the contract period. Specifics used to develop these costs are as follows:

|                                     |                   |
|-------------------------------------|-------------------|
| Mobile Sweeper                      | \$70.00 per hour  |
| Operator                            | \$33.50 per hour  |
| Avg. per hour<br>Cost of operations | \$103.50 per hour |

21 total weeks of sweeping @ 4.0 hours per week or 84 total hours.

The City shall submit billing and a narrative summary of the work done in the period of this Agreement on or before June 10, 2024. MDT agrees to make payment within 20 calendar days of receipt of the billing.

In the event that during any session of the state legislature during the term of this Agreement a reduction of funding is directed for operation of MDT the same rate of reduction shall apply to the total of this Agreement plus any special projects Agreement (i.e. if a 5% reduction is experienced, this reduction will be taken from the special projects agreement).

**RECORDS:** The labor, equipment and materials used on the streets covered in this Agreement shall be assigned a special budget category by the City. No record keeping shall be attempted to break contractual costs against individual streets that are covered in this Agreement. All City records concerning this project are open for review and/or audit by representatives of MDT or the Legislative Auditor at any reasonable time.

**TERMINATION:** This Agreement may be terminated upon thirty days written notice, delivered by certified mail, return receipt requested, by either party. Upon service of such notice, MDT is liable only for actual work completed as of the date of the notice.

**QUARTERLY MEETING:** There shall, as a minimum, be one meeting per calendar quarter to assess the effectiveness of this program and to ensure that budgeting restraints are met. Either party to this Agreement may have any staff present.

**HOLD HARMLESS / INDEMNIFICATION:** The City agrees to defend, protect, indemnify and save harmless the State, its elected and appointed officials, and the Department from any and all claims, losses, damage or causes of action arising from or due to, or allegedly arising from or due to the acts, omissions or manner of performance of any of the services or duties under this Agreement to be performed by the City or its contractor, or subcontractor, including any claims by employees or third persons, except that the City is not responsible for any liability arising from the sole negligence of the State.

**CIVIL RIGHTS COMPLIANCE:** The City must comply with all applicable Federal and State laws including, but not limited to, prevailing wage laws and those laws referred to in the two- page NOTICE attached hereto, which is made a part of this Agreement by its reference.

**LAW AND VENUE:** The laws of Montana govern This Agreement. The parties agree that, in the event of any dispute concerning this Agreement, any litigation must be brought in the First Judicial District, in and for Lewis & Clark County.

**ENTIRE AGREEMENT:** This document, with the attached Notice, contains the entire Agreement between the parties, and no statements, promises or inducements made by either party or its agents which in any way modifies, alters or changes the contents of the document is binding. Any subsequent modification must be done by a separate written document.

IN WITNESS THEREOF, the parties hereto caused this Agreement to be executed in duplicate by their duly authorized officers.

**STATE OF MONTANA  
DEPARTMENT OF TRANSPORTATION**

By:  Date 3/9/2023  
District Administrator

**CITY OF BAKER**

By: \_\_\_\_\_ Date \_\_\_\_\_

Title: \_\_\_\_\_

Attest: \_\_\_\_\_

\_\_\_\_\_

**MONTANA**  
BOARD OF INVESTMENTS  
**INTERCAP**

*Set up Autopay and get*

**5.75% Loan Rate\***

\*Save 0.25% on the 6.00% variable interest rate for adjustment period 2/16/23 – 2/15/24 by switching to automatic payment (Autopay). Note: Autopay is now a program requirement for new loans. Your entity's bank, or County Treasurer (as applicable), will have the appropriate routing and account information to use for electronic transfer.

**It's Easy:**

1. Go to website: <https://investmentmt.com/INTERCAP/>
2. Print and complete the Electronic Transfer/ACH Form.
3. Scan and **SECURELY UPLOAD** document in a flash (see below)

**OR**



Mail to: Montana Board of Investments  
INTERCAP Loan Program  
PO Box 200126  
Helena, MT 59620-0126

The screenshot shows the website for the Montana Board of Investments INTERCAP program. At the top, there is a navigation bar with the Montana Board of Investments logo and a menu with links for Home, Board, SIP, Investments, INTERCAP, Loan Programs, and Contact. Below the navigation bar is a large banner with the INTERCAP logo. Underneath the banner is a grid of service links: Application, File Upload, Payment Calculator, Rate History, and ACH Form. A 'Print' button with a left-pointing arrow is also visible. A 'Download' button with a downward-pointing arrow is positioned above the 'File Upload' link. A notice about the current interest rate and a borrower notice are also present.

**INTERCAP**

Since 1987, INTERCAP has been a valuable, low-interest loan resource for eligible Montana government units as defined under 17-5-1604, MCA. The INTERCAP program is a variable rate loan program, where interest rates are adjusted on February 16th of each year. Eligible projects have wide flexibility, e.g. new and used equipment and vehicles, real property improvements, cash flow, preliminary engineering costs, and grant writing.

**INTERCAP CURRENT BORROWER NOTICE - DECEMBER 3, 2023**

**INTERCAP Interest Rate 1.55%\* - February 16, 2023 through February 15, 2025**  
\*Borrowers authorizing autopay will receive a 0.05% discount.

Application      File Upload      Payment Calculator

Rate History      ACH Form      Print

# Stockman Bank

1405 Grand Ave • PO Box 22069 • Billings, Montana 59104-2069  
406.371.8100 FAX 406.371.8159

## LETTER OF INTENT

March 8, 2023

City of Baker, Montana  
Attn: Kevin Dukart, City of Baker  
P.O. Box 1512  
Baker, MT 59313

Dear Mr. Dukart:

Please let this letter serve as an indication of the Stockman Bank of Montana (the "Bank") preliminary intent to finance the Special Improvement District debt associated with the City of Baker 2023 Street Improvement Project (the "Project").

Our understanding is that the Project has been bid in three phases, as detailed on the Invitation To Bid attached hereto as Exhibit A.

The Bank intends to finance the costs of the Project by purchasing a City of Baker bond secured by special assessments levied on properties located in Special Improvement District No. 36 (the "2023 SID Bond"). Final approval of and commitment to purchase the 2023 SID Bond will only occur after bids for the Project have been opened and will be subject to the Bank's due diligence and final underwriting review. The following outlines estimated terms and conditions to be used for planning purposes only and does not constitute a binding offer by the Bank to purchase the 2023 SID Bond.

|                  |   |
|------------------|---|
| Borrower:        | City of Baker   |
| Loan Amount:     | Up to \$940,000 payable in accordance with the terms of a Series 2023 City of Baker, SID No. 36 Special Assessment Bond (the "Bond"), to be authorized and issued pursuant to a written resolution of the District and acceptable to Lender (the "Bond Resolution"). * estimated commitment based on additional information |
| Use of Proceeds: | Upgrade the City's streets as detailed in Exhibit A.  |
| Interest Rate:   | Estimated Interest Rate of 4.00% * estimate as of 3/7/23  |
| Origination Fee: |   |



Member FDIC



|  |  |
|--|--|
| Legal Fees:                                    | Borrower agrees to reimburse Lender for all reasonable legal fees incurred by the Lender in completing the transactions contemplated in this commitment. |
| Term of Loan:                                  | 60 Months  |
| Repayment:                                     | Semi-Annual payments of principal and interest due January 1 and July 1.   |
| Prepayment Penalty:                            | None. If Prepayments occur the debt service schedule will be reamortized.  |
| Security/Repayment:                            | Special Assessments levied on properties located in City of Baker Special Improvement District No. 36  |
| Contractor:                                    |  |
| Architect:                                     |  |
| Engineers:                                     |  |
| Cost Overruns:                                 |  |
| Change Orders:                                 |  |
| Construction Administration & Indemnification: |  |

If final approval of the 2023 SID Bond is given, the following conditions would need to be met prior to closing.

1. The Bond Resolution adopted and duly executed by the City authorizing the issuance of the 2023 SID Bond and transactions described herein, containing tax covenants customary and usual for issuance of obligations similar to the 2023 SID Bond, including confirmation of the qualified tax exempt status of the 2023 SID Bond, identifying the authorized signer(s), and establishing a system of registration.
2. The City shall provide a written opinion of a nationally recognized bond counsel dated as of the closing date and addressed to the Bank, in form satisfactory to the Bank, to the effect that (i) Borrower has taken all necessary action to authorize and approve the 2023 SID Bond and to pledge repayment of the loan, (ii) the Bond Resolution and other loan documents have been duly authorized, executed, and delivered, and constitute valid binding obligations of Borrower, (iii) the interest paid on the 2023 SID Bond will be excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations (except to the extent that, for the purpose of computing the federal alternative minimum tax imposed on corporations as defined for federal income tax purposes, such interest is taken into account in determining adjusted current earnings), and (iv) the 2023 SID Bond is a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3) of the Code, and that in the case of certain financial institutions (within the meaning of Section 265(b)(5) of the Code), a deduction is allowed for 80 percent of the portion of such financial institutions' interest expense allocable to interest on the 2023 SID Bond. The opinion of counsel may be subject to the condition that the City comply with all requirements of the Code that must be satisfied subsequent to the issuance of the 2023 SID Bond in order that interest there on be, or continue to be, excluded from gross income for federal income tax purposes.
3. The City shall execute and deliver such other documents and instruments and do such other acts and things as Bank may require to effectuate the transactions described in this commitment. All proceedings, agreements, instruments, documents, and other matters relating to the issuance of the 2023 SID Bond shall be satisfactory in form and substance to the Bank.

Please advise when bids have been received for the Project so that we can proceed with final review of the Project. We appreciate the opportunity to assist you in your credit needs and look forward to a favorable relationship with you.

Sincerely,

  
Ron O'Donnell

# THE BANK OF BAKER

Your Full Service Bank Since 1924

[www.bankofbaker.com](http://www.bankofbaker.com)

## LETTER OF INTENT

March 8, 2023

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|                  |  |
|------------------|--|
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| Use of Proceeds: | Upgrade the City's streets as detailed in Exhibit A.   |
| Interest Rate:   | Estimated Interest Rate of <u>4.00</u> % *estimate as of 3/7/23  |
| Origination Fee: |  |

116 South Main Street  
PO Box 739  
Baker, Montana 59313

Phone: 406-778-3382  
Fax: 406-778-3385  
Email: [information@bankofbaker.com](mailto:information@bankofbaker.com)



|  |  |
|--|--|
| Legal Fees:                                    | Borrower agrees to reimburse Lender for all reasonable legal fees incurred by the Lender in completing the transactions contemplated in this commitment. |
| Term of Loan:                                  | 60 Months  |
| Repayment:                                     | Semi-Annual payments of principal and interest due January 1 and July 1.   |
| Prepayment Penalty:                            | None. If Prepayments occur the debt service schedule will be reamortized.  |
| Security/Repayment:                            | Special Assessments levied on properties located in City of Baker Special Improvement District No. 36  |
| Contractor:                                    |  |
| Architect:                                     |  |
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Please advise when bids have been received for the Project so that we can proceed with final review of the Project. We appreciate the opportunity to assist you in your credit needs and look forward to a favorable relationship with you.

Sincerely,

A handwritten signature in black ink that reads "Shawn Wiseman". The signature is written in a cursive style with a long horizontal stroke at the beginning.

Shawn Wiseman  
Chief Operating Officer  
Member FDIC